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7 May 1962

CONFIDENTIAL

MEMORANDUM FOR THE RECORD

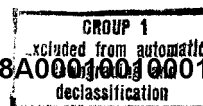
SUBJECT : Special Handling of Payroll Checks for Employees  
in GS-16 and Above

1. In 1955 the then DDCI approved a policy (on a verbal basis) whereby pay checks for all employees in grades GS-16 and above would be delivered in sealed envelopes. This policy was instituted primarily for the purpose of providing cover to the fact that the Agency had employees in the Executive Order grade class that would be considered comparable to Assistant Secretaries in other Government agencies. At the time the policy was adopted it was felt by both the Agency management and the Congressional Committees that having Executive Order grades should not be generally known information, i.e., it should not be published in Agency budgets nor revealed to other agencies with which this Agency had dealings. Therefore, the executive grade payroll has been handled by a very small group of Agency employees and the positions have been budgeted at the GS-18 level.

2. About a year ago the pay period for the executive grade employees was changed from biweekly to monthly. This change has, to a certain extent, nullified the primary purpose for using the sealed envelope to deliver pay checks to employees in grades GS-16 and above because the pay days of employees GS-16 to GS-18 seldom coincide with those in the executive grade level. Therefore, it is recommended that the Executive Committee consider eliminating the requirement that any Agency pay check be delivered in sealed envelopes and that the following facts be presented to the Committee as the basis for such consideration.

- a. The cover factor is practically non-existent because the checks for grades GS-16 through GS-18 are delivered on a biweekly basis and those in the executive grade level are now delivered on a monthly basis. Although most people do not know the contents of these envelopes, many people are aware that certain pay checks are handled at a time different than most Agency pay checks.
- b. At present there are 11 employees receiving executive grade salaries but are budgeted at the GS-18 level. Although the total annual difference for the 11 positions is only \$11,750.00, this amount must be provided from other sources in the Agency budget.

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- c. A total of ☐ employees receive pay checks in sealed envelopes (☐ on a biweekly basis and 11 on a monthly basis). The special handling required to address the envelopes, pull the pay checks from the regular payroll and to place them in and seal the envelopes requires approximately 8 hours of work each month. This work, or some other activity because of this work, usually requires overtime for the 8 hours at an average cost of about \$4.00 an hour.
- d. It is felt that on occasion our working relationships with other Government agencies are hampered because the employee involved is not known to be dealing on a comparable level, e.g., when one of our executive grade employees is working with another Government agency, that agency assumes he is at the GS-18 level and accords him treatment accordingly. It is believed that Agency prestige and work relations could be enhanced considerably if the other agencies were aware of the fact that CIA had executive grade employees at levels comparable with the other agency.

/s/

JOHN A. BROSS

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